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FISCAL IMPACT STATEMENT

LS 7908

BILL NUMBER: SB 611

NOTE PREPARED: Jan 13, 2005

BILL AMENDED:

SUBJECT: Sheriff Deferred Retirement Option Plan.

FIRST AUTHOR: Sen. Harrison

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill establishes certain requirements for a Deferred Retirement Option Plan (DROP) adopted as part of a sheriff's department's retirement plan.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: IC 36-8-10-12.2(l), as added by this proposal, requires the DROP to be actuarially cost neutral. As a result, this proposal will have no fiscal impact on a county's retirement plan.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: County police departments who opt to provide a DROP for their members.

Information Sources: Doug Todd of McCready & Keane, Inc., actuaries for many county police plans, 317 576-1508.

Fiscal Analyst: James Sperlik, 317-232-9866.

DEFINITIONS

Actuarial Cost - A cost is characterized as actuarial if it is derived through the use of present values. An actuarial cost often is used to associate the costs of benefits under a retirement system with the approximate time the benefits will be earned.